



CITY OF HOLLISTER

ADMINISTRATIVE SERVICES DEPARTMENT

STAFF REPORT

**TO: MAYOR VALDIVIA, CITY COUNCIL,
AND REDEVELOPMENT AGENCY MEMBERS**

DATE: JULY 18, 2005

FROM: ROBERT GALVAN - DIRECTOR OF ADMINISTRATIVE SERVICES

REVIEWED BY: CLINT QUILTER - CITY MANAGER

SUBJECT: FY '05-06 RECOMMENDED BUDGET

I. GENERAL OVERVIEW:

In accordance with the directives provided by Council during the recent FY '05-06 budget hearings, the attached documents reflect the final revisions for the City's FY '05-06 recommended budget. In addition, all other outstanding documents, materials unavailable at the time of the budget are now included for your Council's review.

The City's recommended operating budget for FY '05-06 totals \$25,833,800. The recommended budget for the Hollister Redevelopment Agency for FY '05-06 totals \$5,983,076. Fund Balances for each of the individual funds are reflected on the spreadsheet located in the "Fund Balances All Funds" Tab.

The City's recommended General Fund Operating Budget for FY '05-06 totals \$15,845,174. Based upon the projected FY '04-05 Ending Fund Balance of \$9,031,375, the projected Ending Fund Balance for FY '05-06 is \$7,028,662.

II. BUDGET REVISIONS:

Based upon Council directive, the following adjustments are now incorporated in the City's FY '05-06 Recommended Budget in the amounts specified below:

	FUND	DEPT	REV/(EXP)	DESCRIPTION
1.	101	1155	\$ 7,000.00	Training Appropriations for Incode Divisional Training
2.	101	8000	\$ (500.00)	Reduction of the Recreation Division's Telephone Expense
3.	101	2205	\$ 12,660.00	Additional Appropriations for the PG&E Expenditures at Fire Station No. 2
4.	101	1105	\$ 18,225.00	Reallocation of Council Pay from the Redevelopment Agency to the General Fund
5.	660	4991	\$ 7,500.00	Carryover Expenditures for Wastewater Facility Cabling
6.	665	4991	\$ 42,500.00	Carryover Expenditures for Wastewater Facility Cabling

III. MISCELLANEOUS RESPONSES:

In addition to the budget revisions indicated above, the City either initiated or is the process of researching the various questions and requests for information received from your Council during the recent budget hearing. At the present time, the following information is provided to reflect the status of all known information at this time.

1. **Outsourcing of Information Systems Full-time Staffing**

The attached report represents the feasibility study that was conducted for the City of Morgan Hill for the potential outsourcing of the Information System Division. Once again, the contents of this study justify retaining full-time In-house staff, and weigh against the utilization of contractual services for the full-time maintenance of a multi-faceted computerized network with the capability of providing twenty-four hour emergency response.

2. **Use of Battery Backups, Generators, and Solar Energy at the Airport**

The Airport Manager is currently reviewing these options, and will report back to the Council at a later date with relevant findings.

3. **Use of Low-risk Inmates as Work Crews for Grounds and Janitorial Services**

The City's Liability and Workers Compensation Agency, M.B.A.S.I.A. cannot

ensure Inmates. The County Sheriff's Office has contacted the Administrative Services Director and confirmed that they are required to pay all Workers Compensation costs. For these reasons, staff has determined that it is not feasible to utilize County Low-risk Inmates for City work projects.

4. Use of Cellular Telephones by the Animal Control Division

The Chief of Police has determined that the release of Cellular Telephone Numbers to the public under this arrangement invalidates the potential for incorporating this option under the City's Animal Control Division.

5. Implementation of Centralized Purchasing

The City Manager and Administrative Services Director are currently developing the plan to implement this program during FY '05-06 in conjunction with updated CalCard procedures.

6. Development of an Optimum City Personnel Reality Chart

A revised chart is now included in each packet. The City's Human Resource Analyst is also in the process of compiling information from Fiscal Years '04 and '03, to include additions and deletions by position, and will incorporate this remaining information into the final version that will be made available shortly.

7 City-wide Oil Discharge Program

Information pertaining to the City's current program is provided as an attachment with this report.

8. Reduction in Public Works Uniform Costs

The Community Services Director is currently reviewing the option of purchasing T-Shirts for the Public Works crews, and will report back to the Council at a later date with the feasibility of pursuing this option.

9. Realignment of PG&E Costs

As discussed during the budget hearings, the Finance Division is currently working on a comprehensive review of all accounts, to include meter numbers by facility and all corresponding charges, and will report back to the Council as part of the Mid-year Budget review with relevant findings.

10. Inventory of City Tools

The Community Services Department will research this option and report back to the Council at the appropriate time.

11. Review of City-wide Telephone Costs

The Community Services Department will research this option and report back to the Council at the appropriate time.

12. Turning off Exterior Lights at the Briggs Building

At the present time, the exterior lighting at this facility is now activated by a timing device. This in turn has resulted in the greatest level of energy savings and conservation possible at the present time.

13. Rate Study for Charges at the Veteran's Building

The Community Services Director will research this option and report back to the Council at the appropriate time.

14. Development of new Indirect Overhead Charges Procedures

The Administrative Services Director is currently researching this topic through the League of California Cities, the National Government Finance Officers Association and other neighboring cities, and will report back to the Council at the appropriate time.

15. Purchase of the Y.M.C.A. Building by the Hollister Redevelopment Agency

The City's Redevelopment Agency has the option to purchase this building. The

Building cannot be utilized for City related purposes or operations under this arrangement.

STAFF RECOMMENDATIONS:

The attached documents are hereby provided to your Council and Redevelopment Agency for your final review before adoption. Staff wishes to thank Ms. Cheryl Mullen for her tremendous assistance in preparing these documents. The Administrative Services Director will contact the each Council member individually before the end of the week to address any questions or issues pertaining to the attached materials. Any unanswered questions will be addressed during the final adoption of the City's and Redevelopment Agency's recommended FY '05-06 Budget on July 25, 2005.